

FISCAL ESTIMATE

DOA-2048 N(R10/94)

☒ ORIGINAL ☐ UPDATED
☐ CORRECTED ☐ SUPPLEMENTAL

LRB and Bill No/Adm. Rule No.

ATCP 161.50

Amendment No. If Applicable

Subject**Fiscal Effect****State:** ☐ No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum certain appropriation

☐ Increase Existing Appropriation ☐ Increase Existing Revenues
☐ Decrease Existing Appropriation ☐ Decrease Existing Revenues
☐ Create New Appropriation

☒ Increase Costs - May be possible to Absorb
Within Agency's Budget ☒ Yes ☐ No

☐ Decrease Costs**Local:** ☐ No local government costs

1. ☐ Increase Costs
☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs
☐ Permissive ☐ Mandatory

3. ☐ Increase Revenues
☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenues
☐ Permissive ☐ Mandatory

5. Types of Local Governmental Units Affected:
☐ Towns ☐ Village ☐ Cities
☐ Counties ☐ Others _____
☐ School Districts ☐ WTCS Districts

Fund Sources Affected

☒ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG ☐ SEG-S

Affected Ch. 20 Appropriations

20.115 (3)(a)

Assumptions Used in Arriving at Fiscal Estimate**Background**

This rule implements s. 93.07 (18) (b) 6. and 7., Stats., created by 2007 Wisconsin Act 125, which require new accountability measures related to state economic development grants and loans. In accordance with the provisions of s. 93.07 (18) (b) 6. and 7., Stats., this rule requires the following accountability provisions in each contract for a DATCP economic development grant or loan (other agencies that make economic development grants and loans must adopt similar rules):

- For a grant or loan of \$100,000 or more, a provision requiring the grant or loan recipient to give DATCP a verified statement signed by a certified public accountant (CPA) and a director or principal officer of the grant or loan recipient.
- Provisions allowing DATCP to withhold payments, to recover funds from, or impose financial penalties on grant or loan recipients who submit false information to DATCP or fail to honor the terms of the grant or loan contract.

DATCP currently requires each recipient of an economic development grant or loan to enter into a contract that contains provisions similar to those that s. 93.07 (18) (b) 6. and 7., Stats., requires DATCP to adopt by rule. DATCP will make the necessary modifications to the contract language it currently uses to incorporate the required procedures into each grant and loan contract. DATCP legal, financial and program staff currently conduct procedures to withhold payments to, recover funds from, or impose financial penalties on grant and loan recipients as required by the rule. There will be no additional costs created by these administrative activities.

Long-Range Fiscal Implications**Agency/Prepared by: (Name & Phone No.)**

DATCP

Authorized Signature/Telephone No.**Date**